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Jeffrey M. Nelson Chief Legal Officer

November 13, 2018

## **VIA ELECTRONIC FILING**

Jocelyn G. Boyd, Esquire Chief Clerk & Administrator Public Service Commission of South Carolina 101 Executive Center Drive, Suite 100 Columbia, South Carolina 29210

RE:

South Carolina Electric & Gas Company Request for Approval of a Contract for Electric Service with Zeus Industrial Products, Incorporated (Redacted) and Request for Confidential Treatment

Docket No. 2018-340-E

By this letter, the South Carolina Office of Regulatory Staff ("ORS") hereby notifies the Public Service Commission of South Carolina ("Commission") that ORS has reviewed and discussed with South Carolina Electric & Gas Company ("SCE&G" or "Company") personnel the Company's request for approval of a contract for electric service ("Contract") with Zeus Industrial Products, Inc. ("Zeus").

Zeus is a polymer extrusion manufacturer and material science innovator with an existing facility in Gaston, South Carolina. Zeus plans to invest \$76 million to build a facility that will contain approximately 148,000 square feet of manufacturing space and that is expected to create an additional 350 jobs.

SCE&G will provide electric service to the facility in accordance with the Company's Rate 23 – Industrial Power Service along with an Economic Development Incentive Credit ("Credit"). The Contract has an initial term of ten (10) years, unless SCE&G and Zeus agree to an early termination and is extended automatically until terminated by either party.

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Based on our review of the information provided, ORS supports the Company's Contract with Zeus. ORS has no objection to the request for confidential treatment of certain provisions in the contract which include pricing due to the commercial sensitivity and highly competitive nature of the industry in which Zeus operates.

If you have any questions, please do not hesitate to contact me.

Sincerely,

www.M. Nelson

cc: Joseph Melchers, Esquire (via E-mail)
All Parties of Record (via E-mail)